IMPORT SALES BY MODEL

	June 1985	June 1984	6 Mos. 1985	6 Mos. 1984
ALFA ROMEO	361	360	2,488	1,731
AUDI	6,707	7,814	37,071	39,823
4000	0	1,129	0	8,313
4000D	0	0	0	0
4000S	1,629	763	8,568	905
4000S Quattro	379	506	2,065	2,199
5000S	3,644	4,322	20,238	22,605
5000S turbo gas	648	643	4,082	3,731
5000D/td	0	0	0	0
Quattro turbo	7	14	48	42
Coupe	400	437	1,963	2,028
Tourist	0	0	0	0
BMW	7,821	6,655	42,348	36,945
318/320	2,213	2,677	12,774	18,927
325e	178	1,630	396	5,838
524 TD	2,762	0	14,234	0
528/533	1,720	1,366	9,074	6,650
633CSI	268	249	1,678	1,510
733	680	733	4,192	4,020
CHEVROLET	6,419	2,346	31,530	3,078
Spectrum	4,508	0	22,907	0
Sprint	1,911	2,346	8,623	3,078
CHRYSLER/MITSUBISHI	8,293	6,425	40,406	39,719
Colt	5,478	4,662	28,566	29,431
Conquest	453	581	2,750	4,214
Vista	2,362	1,182	9,090	6,074
FIAT	0	0	0	0
HONDA	35,414	29,882	202,849	195,873
Civic	13,275	11,425	74,993	66,289
Civic CRX	5,357	4,018	26,841	21,219
Accord	9,179	9,306	63,762	71,643
Prelude	7,603	5,131	37,253	36,722
I.A.I.	0	0	0	0
ISUZU	2,597	1,651	11,686	7,993
I-Mark	1,382	330	3,527	1,967
Impulse	1,215	1,321	8,159	6,026
JAGUAR	1,713	1,829	9,322	8,874
XJ6	1,437	1,451	7,554	7,363
XJS	276	378	1,768	1,511
LANCIA	0	0	0	0
MASERATI BITURBO	178	240	694	240
MAZDA	16,175	14,223	86,350	82,030
GLC	3,970	3,997	19,223	21,798
626	7,516	5,886	39,690	33,304
RX-7	4,689	4,340	27,437	26,428
MERCEDES BENZ	7,476	5,926	43,899	40,526
190D	258	436	1,803	3,421
190E	1,947	1,393	12,006	7,307
240D	0	0	6	21
300D	1,678	1,184	9,273	8,663
300CD	162	143	863	845
300TD	353	203	1,715	1,306
300SD	755	911	3,900	7,977
380SE	672	561	4,813	3,226
500SEL	644	270	3,380	2,039
380SL/SLC	861	701	5,337	4,782
500SEC	146	124	803	939
MERKUR	747	0	2,324	0
MITSUBISHI	5,023	3,106	21,881	19,593
Starion	529	418	2,732	3,841
Cordia	736	1,450	3,656	8,039
Tredia	950	1,238	4,300	7,713
Mirage	1,681	0	6,003	0
Galant	1,127	0	5,190	0
NISSAN	53,473	46,398	251,293	244,245
Sentra/210	17,815	19,489	85,345	97,459
Pulsar/310	6,464	3,225	25,004	18,160
Stanza	6,411	3,591	23,314	22,405
Maxima	9,359	6,401	42,503	32,642
200SX	6,266	5,960	35,331	30,846
300ZX	5,860	6,255	36,234	38,931
Hawaii	1,298	1,477	3,562	3,802
PEUGEOT	1,275	1,553	7,536	9,593
PORSCHE	1,879	1,713	12,100	12,458
944	1,193	1,132	8,195	8,293
911	476	350	2,731	2,828
928	210	231	1,174	1,337
RENAULT	453	1,341	4,251	6,486
LeCar	0	0	0	0
18i	185	444	1,394	1,335
Fuego	268	897	2,857	5,151
SAAB	4,224	3,436	20,300	18,143
900	1,279	779	5,687	4,517
900S	1,336	1,072	6,302	5,531
Turbo	1,406	1,491	7,774	7,714
Tourist	203	94	537	381
SABARU	14,554	14,306	78,499	78,550
TOYOTA	52,125	57,836	283,932	269,458
Starlet	0	0	0	258
Corolla	14,733	16,754	74,813	76,268
Tercel	8,249	10,306	43,276	47,364
Celica	6,181	8,631	37,071	43,432
Supra	2,114	3,000	12,798	14,356
Cmry	10,310	10,692	56,160	45,826
Cressida	3,524	3,166	20,517	16,503
Land Cruiser	298	308	866	1,398
Van	2,956	3,159	17,796	18,050
4Runner SR 5	260	946	2,984	1,531
MR2	2,768	0	14,048	0
Hawaii	732	874	3,600	4,472
Other	0	0	3	0
VOLKSWAGEN	12,260	8,837	68,033	59,521
Rabbit Convertible	1,363	1,291	6,833	6,964
Jetta	6,988	2,860	37,330	22,963
Vanagon	1,581	1,918	9,684	11,050
Quantum	1,240	1,401	6,623	8,802
Scirocco	1,088	1,367	7,853	9,742
VOLVO	9,492	9,206	57,580	57,014
DL	3,514	4,268	22,290	27,041
GL	3662	2,386	5,352	15,252
GLT Turbo	89	874	1,879	5,461
DL/GL	55	419	1,858	2,147
Coupe	0	0	0	0
740 Series - Gas	3,270	0	17,679	0
740 Series - Diesel	393	0	502	0
760 Series - Gas	992	1,004	5,357	4,277
760 Series - Diesel	183	255	1,598	1,724
Tourist	34	0	1,065	1,112
IMPORT TOTAL	248,659	225,083	1,316,555	1,231,892

27 pct. in survey say 'maybe next time'

Japanese sales may rise in Detroit

DETROIT.—More residents of this area will buy Japanese vehicles in the future, leading to a sizeable expansion of the Japanese auto market here, according to a report on a recent survey sponsored by the University of Detroit and the Detroit News.

The survey was the second telephone poll taken by a research team directed by Prof. Paul H. Tai, director of the university's Asian Studies Program.

This year's poll was taken in June and covered 844 residents in a tri-county area.

It was conducted in the light of three new events that have occurred since last year's survey: President Reagan's decision to lift auto import quotas; rising protectionism in Congress and in the nation, and Mazda Motor Corp.'s decision to invest in Southeast Michigan, the report said.

Currently, one out of six people (16 percent) here owns a Japanese car or truck, but more than one out of four (27 percent) would consider buying a Japanese product the next time he or she makes a vehicle purchase, the survey found.

However, as many as 87 percent of those polled think the American trade deficit with Japan is a serious problem. Seventy-seven percent think that Congress should pass a law to restrict Japanese imports.

The increasing consumer preference for Japanese vehicles and the rising protectionist sentiment in the Detroit area appear to indicate that the population is fairly sophisticated in its judgment on complex issues, the report said.

- By a margin of 51 to 17 percent, respondents said Japanese vehicles are of higher quality than American vehicles; by a margin of 48 to 14 percent, they said Japanese vehicles are lower priced as well.

Those surveyed were evenly divided on the question of whether Americans should buy only American cars (44 percent on each side); 12 percent didn't feel strongly one way or the other.

Eighty-eight percent of those polled feel that the President is doing only a fair or poor job in solving the trade problem.

Sixty-five percent disagreed with his decision to lift the auto import quotas, compared with 58 percent of the national sample in the Business Week/Harris poll.

Asked if they would be willing to pay $500 more for an American car than for a similar Japanese car in order to save American jobs, 68 percent of those polled in the Detroit survey said yes. Sixty-four percent said they were willing to take a pay cut to achieve the same purpose.

Sixty-four percent of those surveyed think American auto companies are not as well managed as the Japanese firms; 69 percent consider American auto workers less productive than the Japanese.

American auto executives are overpaid, said 74 percent of survey participants; 54 percent said American auto workers are overpaid.

But 43 percent said they thought the U.S. auto industry will be better off in the next 10 years; 27 percent said its condition will not change, and 30 percent said it will be worse or much worse off.

Some respondents believe that competition from the Japanese has led to significant improvements in the American industry in terms of managerial style, technological competence and commitment to product quality, according to the report.

Respondents believe that those benefits, which take time to realize their full potential, eventually will enable American companies to regain their international competitiveness, the report said.

Fifty-eight percent of those polled support the idea of having Japanese investment in their community (such as the Mazda plant in Flat Rock, Mich.); 70 percent are willing to work in a Japanese-owned company.

But 42 percent oppose Japanese investment, and 30 percent would not work in a Japanese-owned company.

Education and income appear to be important factors affecting respondents' answers to some of the survey questions, the report said.

On protectionist issues, the survey showed that only 19 percent of those with advanced degrees take the position that Americans should buy only American cars; 33 percent of those with college degrees take that position.

But as many as 64 percent of those with a high school education or less take that position.

Similarly, 54 percent of respondents with incomes of $50,000 or more would be willing to pay more money to buy an American car rather than a comparable Japanese car.

But as many as 76 percent of those in income brackets below $30,000 would be willing to pay more money for an American car.

60 pct. wage hike averts strike at VW Mexico

MEXICO CITY.—A strike that threatened to shut down Volkswagen's Puebla assembly plant was averted when management granted a 60-percent wage increase to the plant's 10,000 workers. The union had asked for a 90-percent increase.

Jose Anselmo Ochoa, director of the Independent Volkswagen Union, said union and management agreed on a direct 35.6-percent wage increase, plus the general 18 percent emergency salary adjustment granted in accord with government stipulations. Because of the pyramidal structure of wage scales at the plant, the increase came to 60 percent, Anselmo Ochoa said.

Grimm's 25th year

MORTON, Ill.—Robert N. Grimm, Bob Grimm Chevrolet, Inc., has received a 25-year-dealer award from Chevrolet.

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Ajax Bolt & Screw honored by Ford

Louis R. Ross, center, executive vice president—Ford North American Automotive Operations, presents Ajax Bolt & Screw Division, Warren, Mich., with Ford's Q1 Preferred Quality Award. Representing Ajax Bolt & Screw and its parent company, Cold Heading Co., are Don DeSeranno, right, vice president, Ajax Bolt & Screw, and John Lee, vice president, Cold Heading. Ajax Bolt & Screw produces fasteners for Ford vehicles.

Factory vans compete with converter offerings

Continued from Page 1B

vantage in that some minivan manufacturers, like General Motors and Toyota, scheduled more cargo units than the market demanded.

GM skewed most of its early production of M vans toward cargo models, but has lately began balancing it off with more passenger versions, according to Mike Erdman, Chevrolet's truck marketing manager.

Toyota wants to sell more cargos in the conversion market to help it meet cargo van sales goals.

The cargo models, imported as trucks, are subject to a 25-percent tariff which, coupled with the cost of the conversion, pushes their price close to that of factory passenger units.

Contempo developed a conversion package to keep its price just under the factory passenger unit.

Although similar in appearance, it does not offer some of the factory features like a sliding sunroof in the main passenger area and a cooler connected to the dual air conditioning system.

Contempo built 200 for rental firms in Southern California.

Sold through Longo Toyota, 150 will go to Alamo Rent-A-Car and 50 to Enterprise Rent-A-Car. The Toyota deal pushed Contempo's small-van volume to 40 percent of its output, up from a traditional 20 percent.

Most of Contempo's business is still in full-sized conversions. About 5 percent is van pool conversions.

It is also looking at the high-top shuttle van market.

An offshoot of its van business is a car conversion for Camaro and Firebird.

The appearance package features a new louvered hatch, paint and other appearance items.

Although volumes are small, Klein considers the special vehicles as enhancing the company's relationship with dealers who carry its products.

Contempo also converts Chevrolet Suburbans and Toyota 4Runners. It also recently introduced a new high-top model called the Traveller which it hopes to position in the luxury segment between limos and 12-to-15-person commuter vans.

By continuing to bring new products to market, Klein said Contempo will be able to keep ahead of competitors in what he feels is a limited-growth market.

RV sales off, but van upturn begins in May

Continued from Page 1A

trailer shipments of 8,200 were off 9.9 percent; folding camper trailer shipments of 3,400 were off 19.0 percent, and truck camper shipments of 900 were equal to last year's.

Ford's Tarrant said towable RVs are a cyclical business, and they are coming off a peak year.

A decline in that segment is not necessarily bad news for OEMs like Ford, he added, because people who buy towables generally can't afford to buy tow vehicles in the same year they buy trailers.

Even though trailer sales are off, he added, from Ford's viewpoint it is a peak year for sales of tow vehicles.

"Based on the customer and dealer inquiries and looking at the sales rates for vehicles used in towing and the engines installed, it's knockout good business for us," Tarrant concluded.

For five months of 1985, RV shipments totaled 169,600, according to RVIA, off 9.4 percent from like 1984.

Van conversion shipments of 73,200 were off 2.5 percent from a year ago.

Motor home shipments of 34,600 were off 15.6 percent.

Within the segment, conventional (Type A) shipments of 16,700 were off 15.2 percent; van campers (Type B) at 3,100 were off 11.4 percent, and chopped vans at 14,800 were off 16.9 percent.

Towable RV shipments for five months totaled 61,800, off 13.0 percent.

Within the segment, travel trailer shipments of 40,500 were off 15.1 percent; folding camper trailer shipments of 17,900 were off 7.7 percent, and truck camper shipments of 3,400 were off 12.8 percent.

NEW TRUCK REGISTRATIONS BY MAKE AND GVW CLASS

MAY 1985 VS. 1984*

		Group 1 6,000 lbs. and less	Group 2 6,001-10,000	Group 3 10,001-14,000	Group 4 14,001-16,000	Group 5 16,001-19,500	Group 6 19,501-26,000	Group 7 26,001-33,000	Group 8 33,001 and over	Make Totals
AUTOCAR	May '85	.....	.....	.....	.....	.....	.....	.....	173	173
	May '84	.....	.....	.....	.....	.....	.....	.....	79	79
	Year to Date '85	.....	.....	.....	.....	.....	.....	.....	656	656
	Year to Date '84	.....	.....	.....	.....	.....	.....	.....	452	452
CHEVROLET	May '85	58,843	40,232	2,580	.....	15	322	729	43	102,744
	May '84	49,981	43,004	3,655	.....	15	523	769	58	98,005
	Year to Date '85	267,126	196,358	11,116	.....	85	2,084	4,112	167	481,048
	Year to Date '84	224,624	190,709	15,787	.....	94	2,070	3,111	201	444,596
(Memo Units)#	May '85	44,896	15,974	.....	.....	.....	.....	.....	.....	60,873
	May '84	35,067	17,925	.....	.....	.....	.....	.....	.....	53,012
	Year to Date '85	202,386	74,458	.....	.....	.....	.....	.....	.....	276,844
	Year to Date '84	154,148	79,860	.....	.....	.....	.....	.....	.....	234,008
DODGE	May '85	30,453	13,162	.....	.....	.....	.....	.....	.....	43,615
	May '84	24,091	12,583	.....	.....	.....	.....	.....	.....	36,674
	Year to Date '85	145,982	67,632	.....	.....	.....	.....	.....	.....	217,614
	Year to Date '84	109,589	55,893	.....	.....	.....	.....	.....	.....	165,482
(Memo Units)#	May '85	23,439	7,345	.....	.....	.....	.....	.....	.....	30,784
	May '84	17,942	7,866	.....	.....	.....	.....	.....	.....	25,808
	Year to Date '85	111,328	35,740	.....	.....	.....	.....	.....	.....	147,068
	Year to Date '84	77,388	34,775	.....	.....	.....	.....	.....	.....	112,163
FORD	May '85	54,200	41,351	.....	.....	.....	822	2,842	1,537	100,752
	May '84	29,225	67,735	.....	.....	.....	1,054	2,436	1,083	101,553
	Year to Date '85	286,351	197,966	.....	.....	.....	5,031	13,353	5,919	508,620
	Year to Date '84	130,050	318,140	.....	.....	.....	5,136	9,731	4,350	465,407
(Memo Units)#	May '85	35,710	13,461	.....	.....	.....	.....	.....	.....	49,171
	May '84	29,050	22,349	.....	.....	.....	.....	.....	.....	51,399
	Year to Date '85	197,529	64,916	.....	.....	.....	.....	.....	.....	262,444
	Year to Date '84	126,582	104,640	.....	.....	.....	.....	.....	.....	231,222
FREIGHTLINER	May '85	.....	.....	.....	.....	.....	.....	.....	1,466	1,466
	May '84	.....	.....	.....	.....	.....	.....	.....	1,639	1,639
	Year to Date '85	.....	.....	.....	.....	.....	.....	.....	7,588	7,588
	Year to Date '84	.....	.....	.....	.....	.....	.....	.....	6,149	6,149
GMC	May '85	14,062	11,217	344	.....	469	314	1,379	1,050	28,735
	May '84	11,186	11,651	109	.....	117	434	1,140	1,140	25,777
	Year to Date '85	82,048	52,838	2,355	.....	2,546	2,019	6,592	5,008	133,406
	Year to Date '84	51,610	54,513	498	.....	766	2,102	5,090	4,402	
										118,981
(Memo Units)#	May '85	10,561	4,006	.....	.....	.....	.....	.....	.....	14,567
	May '84	7,207	4,349	.....	.....	.....	.....	.....	.....	11,556
	Year to Date '85	45,059	18,344	.....	.....	.....	.....	.....	.....	63,403
	Year to Date '84	32,066	19,742	.....	.....	.....	.....	.....	.....	51,808
INTERNATIONAL	May '85	.....	.....	.....	.....	.....	2,089	1,329	2,419	5,837
	May '84	.....	.....	.....	.....	.....	1,509	1,369	2,707	5,585
	Year to Date '85	.....	.....	.....	.....	.....	9,809	6,447	12,475	28,731
	Year to Date '84	.....	.....	.....	.....	.....	6,273	5,543	10,874	22,690
JEEP	May '85	12,647	1,096	.....	.....	.....	.....	.....	.....	13,743
	May '84	10,454	1,547	.....	.....	.....	.....	.....	.....	12,001
	Year to Date '85	56,893	7,233	.....	.....	.....	.....	.....	.....	64,126
	Year to Date '84	46,291	8,919	.....	.....	.....	.....	.....	.....	55,210
(Memo Units)#	May '85	12,647	917	.....	.....	.....	.....	.....	.....	13,564
	May '84	10,454	1,221	.....	.....	.....	.....	.....	.....	11,675
	Year to Date '85	56,893	6,356	.....	.....	.....	.....	.....	.....	63,249
	Year to Date '84	46,291	7,343	.....	.....	.....	.....	.....	.....	53,634
KENWORTH	May '85	.....	.....	.....	.....	.....	.....	.....	910	910
	May '84	.....	.....	.....	.....	.....	.....	.....	1,124	1,124
	Year to Date '85	.....	.....	.....	.....	.....	.....	.....	4,787	4,787
	Year to Date '84	.....	.....	.....	.....	.....	.....	.....	5,711	5,711
MACK	May '85	.....	.....	.....	.....	.....	286	72	2,173	2,531
	May '84	.....	.....	.....	.....	.....	264	74	1,873	2,211
	Year to Date '85	.....	.....	.....	.....	.....	1,687	443	10,719	12,849
	Year to Date '84	.....	.....	.....	.....	.....	1,285	200	7,068	8,553
MERCEDES-BENZ	May '85	.....	.....	.....	.....	.....	179	152	.....	331
	May '84	.....	.....	.....	.....	.....	89	64	.....	153
	Year to Date '85	.....	.....	.....	.....	.....	1,101	755	.....	1,856
	Year to Date '84	.....	.....	.....	.....	.....	530	266	.....	796
PETERBILT	May '85	.....	.....	.....	.....	.....	.....	.....	1,154	1,154
	May '84	.....	.....	.....	.....	.....	.....	.....	1,132	1,132
	Year to Date '85	.....	.....	.....	.....	.....	.....	.....	5,197	5,197
	Year to Date '84	.....	.....	.....	.....	.....	.....	.....	4,921	4,921
PLYMOUTH	May '85	9,900	.....	.....	.....	.....	.....	.....	.....	9,900
	May '84	7,497	10	.....	.....	.....	.....	.....	.....	7,507
	Year to Date '85	43,412	.....	.....	.....	.....	.....	.....	.....	43,412
	Year to Date '84	31,708	87	.....	.....	.....	.....	.....	.....	31,795
VOLVO	May '85	.....	.....	.....	.....	.....	.....	127	65	192
	May '84	.....	.....	.....	.....	.....	.....	92	52	144
	Year to Date '85	.....	.....	.....	.....	.....	.....	585	360	945
	Year to Date '84	.....	.....	.....	.....	.....	.....	497	198	695
WESTEPN STAR	May '85	.....	.....	.....	.....	.....	.....	.....	97	97
	May '84	.....	.....	.....	.....	.....	.....	.....	64	64
	Year to Date '85	.....	.....	.....	.....	.....	.....	.....	484	484
	Year to Date '84	.....	.....	.....	.....	.....	.....	.....	213	213
WHITE	May '85	.....	.....	.....	.....	.....	.....	.....	592	592
	May '84	.....	.....	.....	.....	.....	.....	.....	437	437
	Year to Date '85	.....	.....	.....	.....	.....	.....	.....	3,638	3,638
	Year to Date '84	.....	.....	.....	.....	.....	.....	.....	2,970	2,970
MISCELLANEOUS+	May '85	64,265	708	294	71	24	11	35	211	65,619
	Apr.'84	53,279	666	24	51	.....	9	6	153	54,188
	Year to Date '85	336,337	4,202	1,236	385	109	50	155	880	343,354
	Year to Date '84	259,125	2,855	76	244	.....	21	34	429	262,784
TOTALS	May '85	244,370	107,766	3,098	71	508	4,023	6,665	11,890	378,391
	May '84	185,713	137,218	3,788	51	132	3,882	5,950	11,541	348,273
	Year to Date '85	1,202,148	526,229	14,707	385	2,740	21,781	32,442	57,878	1,858,311
	Year to Date '84	852,997	637,116	16,361	244	860	17,417	24,472	47,938	1,597,405

*—Manufacturers' sales reports used for compiling Oklahoma and New York in 1984.

#—Memo units are trucks which are part of the total listed above each entry. Memo units are Chevrolet Van, El Camino, Blazer and S-10; Dodge compact trucks; Ford Econoline and Bronco; GMC Vandura, Jimmy, Caballero and S-15. +—Miscellaneous includes imports, PAD, Freightliner, Oshkosh, etc.

—Compiled from R. L. Polk & Co. data

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factories list auction dates

American Motors

July 30—Aptco Auto Auction, Taylor, Mich.

July 31—Kansas City Auto Auction, Kansas City; Mid-States Auto Auction, South Bend.

Chrysler Corp.

July 30—Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Golden Gate Auto Auction, Fremont, Calif., and Florida Auto Auction of Orlando, Ocoee, Fla.

July 31—Southern Auto Auction, Warehouse Point, Conn.; Columbus Fair Auto Auction, Obetz, O., and South Seattle Auto Auction, Kent, Wash.

Aug. 1—Fredericksburg Auto Auction, Fredericksburg, Md., and Atlanta Auto Auction, Red Oak, Ga.

Ford Motor Co.

July 31—Northway Exchange, Clifton Park, N.Y., and Clanton's Auto Auction, Darlington, S.C.

Aug. 1—Floyd Hauhe Auto Auction, Bridgeton, Mo.; Big H Auto Auction, Houston, and Denver Auto Auction, Englewood, Colo.

Aug. 6—Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 7—Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Golden Gate Auto Auction, Fremont, Calif.

Aug. 14—Columbus Fair Auto Auction, Obetz, O., and Concord Auto Auction, Acton, Mass.

Aug. 15—Arena Auto Auction, Chicago, and Dallas Auto Auction, Dallas.

Aug. 21—Lakeland Auto Auction, Lakeland, Fla., and Brasher's Southern California Auto Auction, Fontana, Calif.

General Motors

July 31—Brasher's Salt Lake Auto Auction, Salt Lake City, and Metro Auto Auction, Kansas City.

Aug. 1—Butler Auto Auction, Gibsonia, Pa., and Arena Auto Auction, Chicago.

Aug. 6—Dallas Auto Auction, Dallas.

Aug. 7—Golden Gate Auto Auction, Fremont, Calif., and Hatfield Auto Auction, Hatfield, Pa.

Aug. 8—Aptco Auto Auction, Detroit, and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Aug. 13—Denver Auto Auction, Englewood, Colo., and Florida Auto Auction of Orlando, Orlando.

Aug. 14—Northstar Auto Auction, Shakopee, Minn., and Brasher's Auto Auction, Fontana, Calif.

Aug. 15—Nashville Auto Auction, Nashville; Big H Auto Auction, Houston, and Ohio Auto Auction, Grove City, O.

Aug. 20—Southern Auto Auction, E. Windsor, Conn.; South Seattle Auto Auction, Kent, Wash., and 166 Auto Auction, Springfield, Mo.

Aug. 21—Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis, and Hatfield Auto Auction, Hatfield, Pa.

Aug. 22—Southwest Auto Auction, Phoenix.

Aug. 28—Brasher's Salt Lake Auto Auction, Salt Lake City, and Metro Auto Auction, Kansas City.

Used Car Sales
Auction Averages

July 1985	$4,815
Month ago	$5,296
Year ago	$5,069

Model Breakdown
Auction Averages

	JULY, 1985	JUNE, 1985	MAY, 1985
1985	$10,804	$11,181	$11,515
1984	$7,727	$8,061	$8,553
1983	$5,971	$6,306	$6,474
1982	$5,326	$5,544	$5,381
1981	$4,141	$4,536	$4,339
1980	$3,245	$3,528	$3,226
1979	$2,590	$2,953	$2,706
1978	$2,139	$2,114	$2,039
Overall Average	$4,815	$5,296	$5,203

Graham's birthday gift is Subaru deal

On the occasion of his 65th birthday, Ralph Graham signs for Downey Isuzu, Downey, Calif. Representing American Isuzu Motors are James Leong, left, zone sales manager, and Joe Totaro, regional sales manager.

Subaru distributor plans aggressive advertising pitch

By Susan Gurevitz
Special Correspondent

Subaru—that nice, boxy, friendly, dependable imported car—is getting, well, aggressive.

With a new ad agency, distributor Penn Jersey Subaru is planning a new, go-get-'em ad campaign scheduled to debut this fall.

"We have very tough, aggressive promotions planned," said Tom Ong, president and creative director at McAdams & Ong, Penn Jersey Subaru's new agency.

Levine, Huntley, Schmidt & Beaver, New York, is still handling the national advertising for parent Subaru of America.

Penn Jersey Subaru is the second largest Subaru distributor with 65 dealers in Pennsylvania, Delaware and Southern New Jersey. It recently hired McAdams & Ong over three other agencies to develop its new advertising, promotion and marketing program.

Star Communications had handled the account, but "we had outgrown them," said Douglas Graham, communications manager.

So why the change? For starters, Subaru has discovered women. The importer will be steering much of its advertising toward women buyers who are between the ages of 25 and 49, sports-minded and with a median income of $36,000.

Subaru has found that 40 percent of the time, "women exerted an influence over the purchase of a Subaru outright," said Graham. "That will be an integral part of our strategy."

The advertising will cover the entire model line, including the recently introduced XT sport coupe.

Another factor is that with the easing of auto import restrictions, the competition will be revving up.

Subaru also will be stepping up its TV presence, devoting as much as 80 percent of its media placement to local market TV. "Spot TV will be a primary vehicle," said Graham.

According to Ong, Penn Jersey Subaru currently is billing $3 million, but that figure is expected to rise to $4 million by mid-1986. Radio, newspaper and magazine advertising is also planned.

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D-A Auto Auction
Waltz Mill Road
P.O. Box 431
New Stanton, PA 15672
Auction Phone:
412/722-3122
— $500 Drawing
— Free Breakfast

August 7, 1985
Columbus Fair Auto Auction
4700 Groveport Road
Obetz, OH 43207
Mail Address: P.O. Box 504
Columbus, OH 43216
Auction Phone:
614/497-2000
— $500 Drawing
— Free Breakfast

August 8, 1985
Todd Auto Auction
Route 309
Telford, PA 18969
Auction Phone:
215/721-1300

*Market Test Sales will be run if at least 35 dealers attend, register and bid aggressively.

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Automotive News Want Ads bring results

As compared with U.S. practice

How dealerships differ in Japan

By Lawrence D. Dietz
Special Correspondent

There are only 800 or so automobile distributors in Japan, yet they have slightly more than 10,000 branches which will register an estimated 2.5 million units this year.

The average Japanese distributor measures his retail sales in thousands of units per month and can employ as many as 2,000 to 3,000 people. The main facility for Japanese dealers is similar to the largest of U.S. dealerships, but has quite a bit more volume in unit sales and repair orders.

Size isn't the only difference between the U.S. and Japanese dealer body. While in the U.S. the trend is for dealers to sell their factory's full line of cars and to add more franchises, the Japanese dealer is a single point, handling the products of only one manufacturer. In fact, he handles only one model class or distribution channel.

For example, Nissan's domestic Japanese dealers are divided into four sales channels: Nissan, Motor, Sunny and Cherry. Each of those channels handles four to six passenger-car models and two to seven commercial-vehicle models.

Nissan Sales Channel
Dealer Population
May, 1984

Nissan	903
Motor	556
Sunny	894
Cherry	788
Total	3,743

Source: Nissan Motor Co., Ltd., Tokyo

Each branch has three or four salesmen, two service technicians and a clerk. They provide neighborhood focal points for sales and service activity. Unlike the U.S., where the customer comes to the dealership, Japanese automobile salesmen go to the customer. Together, the salesman and customer determine the kind of vehicle the customer wants to see. The salesman will then bring the car to the customer.

There are two forces at work trying to change this way of doing business. One is the market itself. The younger (under 40) consumers no longer want salesmen to come to them. Rather, they want to gather information without a salesman. After the customer selects a model with its options, he is ready to negotiate with salesmen from several dealerships to get the best price.

The second force working to change this system of personal selling is the factory and the distributors. They realize that by inducing the consumer to come to the dealership, salesmen can not only sell more cars per month but the cost of sales per vehicle will drop.

As a way to give consumers product information, several of the leading Japanese manufacturers are experimenting with video displays in supermarket and shopping center locations. The displays will be mounted in kiosks and may be attended by "hostesses" or be unattended. Aimed at the younger buyer and housewife, the displays will provide product information in a non-selling environment similar to that being tested in the U.S. by Buick, Chevrolet and Ford.

The role of manufacturer and dealer associations is different in the Japanese and U.S. markets. The U.S. NADA takes a positive stand on many of the key political and economic issues affecting dealers. The Japanese association on the other hand is more concerned with being the voice of dealers to the factories and in assuring that competition remains "normal."

Another way that the U.S. and Japanese dealer differ is in the way they use computers. The U.S. dealer is served by a number of data-processing vendors who specialize in the auto dealer market. Most U.S. dealers who are using in-house computers are using medium-sized minicomputers or small microcomputers.

A small number of U.S. dealers are using mainframes, or the traditionally large machine that requires a special room, special staff, special power, etc. In contrast, the Japanese computerized distributors have to use the mainframe because of their tremendous size.

Rather than buying pre-packaged hardware and software, the Japanese distributors developed their own systems. This environment will change in the near future as Japanese manufacturers design, develop and market computer systems for their dealers. Those factories, like many U.S. automobile manufacturers, recognize that the factory can reduce its own data-processing costs (because dealers are doing the data entry), get more accurate and timely information and perhaps even make a profit on the sale of computers and computer services.

The way that computers are used in Japan is very similar to their use in the U.S.

The only U.S. data-processing vendor with any degree of success in Japan was Dyatron, of Birmingham, Ala. The firm was involved in a joint venture with Isuzu. Ultimately, Isuzu acquired the venture and Isuzu is now managing it. Since General Motors owns 34 percent of Isuzu, it is likely that Isuzu will eventually switch to whatever kind of computer is being used by EDS, GM's data-processing subsidiary.

While the Japanese seem to be moving away from outside personal selling, some U.S. dealers, particularly the high-end, luxury outlets, are concentrating on it.

U.S. dealers are highly computerized, using standard software from a number of dedicated vendors while Japanese have had to make their own computer systems. The computer penetration in Japan seems to be proportionately less than the U.S. penetration.

Both U.S. and Japanese factories are becoming more involved in dealer data processing. Dealers can expect to see more factory-sponsored computer products on a worldwide level. Consumers and dealers can also see more use of video as a way to give consumers product information and perhaps train dealer personnel.

Silver Steffens

LaVerne J. Steffens, right, Steffens Chevrolet-Buick, Inc., Faribault, Minn., receives Chevrolet's 25-year-dealer award from N.G. (Norm) Gilsdorf, Chevrolet's Minneapolis zone manager,

Mazda requests trade-zone status for Michigan plant

WASHINGTON.—Mazda Motor Mfg. (USA) Corp. has requested approval of a Foreign Trade Subzone for the plant it is building in Flat Rock, Mich., according to the Commerce Department's Foreign-Trade Zones Board.

Mazda told the board that its 350-acre facility will employ 3,500 persons and that about half the value of its automobiles will be sourced abroad. Mazda said imported components will include engines, transmissions, steering gears, brake assemblies, steel and some subframe components.

Mazda also said the company plans to increase domestic sourcing substantially within a few years after the plant begins building cars in the fall of 1987 and that "some exports are expected."

Foreign trade subzone status would allow Mazda to avoid duty payments on imported components until they are assembled as part of finished vehicles. Exported vehicles would incur no tariff penalty, and parts used in vehicles sold in the U.S. would be assessed at the lower duty rate for finished vehicles.

Austin Rover N.A. names Huyett, Martinez

MIAMI.—David W. Huyett has been named marketing director for Austin Rover Cars of North America, and Luis E. Martinez has been appointed service and parts director. The firm will import a British luxury car for the 1987 model year.

Huyett formerly was manager of marketing planning for Volkswagen of America. Martinez was general service and parts direector for Braman Enterprises here, the dealership empire headed by Norman Braman, who is chairman of Austin Rover Cars of North America.

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ESTIMATED JAPANESE DEALER POPULATION

	Number of Distributors	Number of Branches	Share of Market
Toyota	318	3,400	42.9
Nissan	265	3,100	27.0
Honda	75	750	8.0
Mazda	75	750	7.1
Mitsubishi	50	500	5.4
Isuzu	35	350	1.0
Other	80	800	8.6
TOTALS	898	9,650	100.00

Source: Alec Group, San Jose, Calif.

As Chrysler plants begin model changeover

Car production dips to 160,622

By Louise Kertesz
Detroit Reporter

With two Chrysler Corp. plants down for changeover and vacation, last week's scheduled domestic auto production of 160,622 units dipped 1.65 percent from the previous week's 163,310.

Last week's targeted build was 24.61 percent more than the year-ago week's 128,900, a total also affected by plant vacations.

Year-to-date, 4,948,414 cars have been assembled, 4.24 percent more than the 4,747,248 completed last year at this time.

Last week's scheduled production was shared as follows: General Motors, 60.38 percent; Ford Motor Co., 21.22 percent; Chrysler, 11.70 percent; Honda of America Mfg. Co., 1.96 percent; American Motors, 1.71 percent; Volkswagen of America, 1.17 percent; New United Motor Mfg. Co., 1.06 percent, and Nissan Motor Mfg. Co., U.S.A., 0.80 percent.

Chrysler's Jefferson (Detroit) plant was closed last week for the first of two weeks' downtime for model changeover.

Chrysler's Sterling Heights (Mich.) plant also closed last week for the first of four weeks' vacation which includes changeover.

Chrysler's Newark (Del.) plant is closed for model changeover this week (July 29), with production scheduled to resume Aug. 19.

The company's St. Louis No. 1 plant is also closed for model changeover this week. It is scheduled to reopen Aug. 12.

GM scheduled two overtime shifts Saturday (July 27) at its Pontiac G plant.

Ford has scheduled daily overtime this week (July 29) at its plants in Chicago; Dearborn; Wixom, Mich.; Edison, N.J.; Wayne, Mich., and Kansas City.

Plant pacts may succeed national labor agreements

Continued from Page 6

will be other forms of competitive negotiating.

The GM-UAW contract already allows plants to make changes in the agreement to make them more competitive.

The domestic auto makers have said they are not able to make money in the small-car market, but are making it up on sales of larger cars. Future markets will not allow that, Calmes said.

"It might be nice for Ford Motor Co. to say we are losing money on every Escort but we are making it up on Mercury and the big Fords," he said.

"How long can you continue to do something like that, and is there a rationale for saying that we can be non-competitive in given market segments of the business and take the loses with the notion that we are going to tack it on to the price tag of some other market?"

AMC is bascially a small-car producer with no product lines, other than Jeep, to balance the losses in that market segment.

But Calmes warned that the rest of the industry should beware because the Japanese are beginning to send intermediate-size vehicles to the U.S.

"If they send in an intermediate vehicle and make money on it too, they are going to beat your pants off," he said.

"They can be profitable with all the things they are assembling and importing into the U.S."

GM, Ford and Chrysler are either importing the bulk of their small cars or are making plans to do so.

GM is making one last-ditch attempt to build a small car competitively in the U.S. in its Saturn project. Chrysler and Ford have similar programs, Liberty and Alpha, respectively, but they have not publicly taken on the scope of Saturn.

Truck output up 4.83 percent to 67,167 units

U.S. truck manufacturers expected to build 67,167 units last week, 4.83 percent more than the previous week's 64,070 and 10.52 percent better than the year-ago week's 60,771.

So far this year, 1,986,585 trucks have been assembled, 9.67 percent more than the 1,811,457 completed last year at this point.

Last week, Ford Motor Co. began building 1986 models at its facilities in Wayne, Mich., and Lorain, O.

General Motors scheduled two overtime shifts Saturday (July 22) at its facility in Flint (No. 2). The medium-duty line at GM's Pontiac No. 2 plant was also slated for two overtime shifts Saturday.

Ford has scheduled daily overtime this week (July 29) at its plants in Kansas City, Norfolk, Twin Cities and Louisville.

American Motors' Kenosha plant is due to resume production today after two weeks' vacation.

Chrysler Corp.'s Warren (Mich.) plant is closed this week for model changeover. It is scheduled to resume production Aug. 5.

Canada's build: 600,000 cars, 500,000 trucks

Last week, Canadian car production for the year passed the 600,000 mark and truck production topped the 500,000 point.

Car ouput reached 600,000 Thursday (July 25), 14 days behind 1984; the truck build for the year reached 500,000 Monday (July 22), almost four weeks ahead of last year.

Year-to-date, 605,714 cars have been assembled, 6.64 percent fewer than the 648,797 completed last year at this time.

So far this year, 507,137 trucks have been built, 7.51 percent more than the 471,727 finished last year at this point.

With production resuming at Ford Motor Co. plants after vacation, last week's scheduled output of 20,387 cars was up 96.52 percent from the previous week's 10,374.

The prior week's total—the lowest of any week this year—was the result of vacation and changeover at plants of three manufacturers.

Last week's build was 9.26 better than the year-ago week's 18,659.

General Motors' St. Therese (P.Q.) plant is scheduled to return to work today (July 29) after being down for two weeks for vacation and changeover.

GM's Oshawa (Ont.) facility begins two weeks of vacation/changeover today.

American Motors' Brampton (Ont.) facility continues its vacation/changeover downtime; it is scheduled to resume production Aug. 5.

With Chrysler Corp.'s Windsor (Ont.) plants closed for vacation and changeover last week, truck production fell to its lowest point this year: 8,603 units, down 32.21 percent from the previous week's 12,691.

Last week's build was 19.82 percent better than the year-ago week's 7,180. (Chrysler plants were closed at that time also.)

The Windsor plants are scheduled to resume production Aug. 5.

Zimmer promotes Erwin

POMPANO BEACH, Fla.—Lee Erwin has been promoted to executive vice president and general manager, Zimmer Motor Cars Corp. Zimmer Motor Cars manufactures exotic and neoclassic cars.

CANADIAN PRODUCTION - CARS

	Week Ended July 27, 1985	Week Ended July 28, 1984	Week Ended July 20, 1985	July to Date	Jan. 1 to July 28, 1984	Jan. 1 to July 27, 1985
AMERICAN MOTORS	0	608	0	0	12,850	5,493
FORD MOTOR	11,160	9,250	0	15,530	247,686	278,729
GENERAL MOTORS	9,002	8,576	10,149	43,646	381,779	315,261
VOLVO	225	225	225	855	6,482	6,231
Total Cars, Canada	20,387	18,659	10,374	60,031	648,797	605,714

TRUCK PRODUCTION IN U.S.

	Week Ended July 27, 1985	Week Ended July 28, 1984	Week Ended July 20, 1985	July to Date	Jan. 1 to July 28, 1984	Jan. 1 to July 27, 1985
CHEVROLET	23,418	20,659	23,457	85,944	587,103	698,975
DODGE	4,100	0	4,167	15,780	116,635	126,107
FORD	25,841	24,537	23,268	49,109	677,992	675,437
GMC	7,558	6,612	7,167	26,471	190,821	215,747
INTERNATIONAL	1,660	1,747	1,594	3,254	42,518	44,959
JEEP	0	3,847	0	7,836	107,249	112,924
NISSAN	2,540	2,319	2,367	4,907	57,419	58,193
AM GENERAL	50	50	50	180	1,520	1,440
MISCELLANEOUS	2,000	1,000	2,000	6,783	30,200	52,803
Total Trucks, U.S.	67,167	60,771	64,070	200,264	1,811,457	1,986,585

CANADIAN TRUCK PRODUCTION

	Week Ended July 27, 1985	Week Ended July 28, 1984	Week Ended July 20, 1985	July to Date	Jan. 1 to July 28, 1984	Jan. 1 to July 27, 1985
CHRYSLER	0	0	6,684	21,179	201,210	236,389
FORD	3,648	3,174	0	3,648	87,842	92,968
GENERAL MOTORS	4,680	3,805	5,685	20,774	178,370	171,527
INTERNATIONAL	275	201	322	597	4,305	6,253
Total Trucks, Canada	8,603	7,180	12,691	46,198	471,727	507,137
N. American Trucks	75,770	67,951	76,761	246,462	2,283,184	2,493,722

*-Now includes window van production. *-Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR PRODUCTION

	Week Ended July 27, 1985	Week Ended July 28, 1984	Week Ended July 20, 1985	July to Date	Jan. 1 to July 28, 1984	Jan. 1 to July 27, 1985
AMERICAN MOTORS	2,750	4,642	2,783	7,542	113,758	61,614
Renault Total	2,750	4,642	2,783	7,542	113,758	61,614
Alliance	1,975	2,642	1,997	5,421	61,422	38,349
Encore	775	2,000	786	2,121	52,336	23,265
CHRYSLER CORP.	18,800	7,404	26,398	98,230	759,678	822,902
Plymouth Total	5,900	2,860	7,127	27,454	223,616	236,683
Horizon	2,800	2,045	2,905	11,531	94,430	88,351
Reliant	2,900	0	2,955	12,029	110,334	105,378
Caravelle	0	3	1,126	2,910	5,534	31,664
Gran Fury	200	812	141	1,024	13,318	11,290
Chrysler Total	4,100	1,726	8,578	30,788	254,685	270,874
LeBaron	800	0	1,716	6,299	77,225	62,843
LeBaron GTS	0	0	2,355	7,215	0	60,506
Laser	1,100	0	1,038	4,348	46,064	34,445
New Yorker/E-Class	0	0	1,407	4,181	63,070	43,539
Fifth Avenue	2,200	1,726	2,060	8,745	68,326	69,541
Dodge Total	8,800	2,818	10,695	39,948	281,377	315,345
Omni	2,600	2,363	2,625	10,271	88,917	86,996
Aries	3,000	0	3,041	11,477	87,643	87,795
Daytona	1,200	0	988	4,467	34,207	31,598
Dodge 600	900	0	1,391	4,987	48,280	43,168
Lancer	0	0	1,522	4,684	0	42,807
Diplomat	1,100	455	1,128	4,062	22,330	22,961
FORD MOTOR	34,091	35,402	32,397	66,488	992,136	961,407
Ford Division	22,503	21,305	21,357	43,860	643,166	637,666
Escort	7,588	5,939	7,282	14,870	198,449	184,245
Mustang	3,741	2,956	3,615	7,356	77,270	102,152
LTD	4,128	4,171	3,313	7,441	123,325	125,148
Thunderbird	2,915	2,542	3,301	6,218	86,151	108,486
Crown Victoria	0	1,769	0	0	43,872	7,122
EXP	0	831	0	0	19,834	3,863
Tempo	4,131	3,097	3,846	7,977	94,265	106,650
L-M Division	11,588	14,097	11,040	22,628	348,970	323,741
Mercury Total	7,990	10,502	7,853	15,843	251,626	231,718
Lynx	1,808	989	1,689	3,497	38,639	42,028
Capri	745	271	701	1,446	9,924	10,849
Marquis	2,020	2,983	1,703	3,723	65,697	62,869
Cougar	2,348	3,111	2,626	4,974	59,174	78,761
Grand Marquis	0	1,795	0	0	53,887	4,733
Topaz	1,069	1,353	1,134	2,203	24,305	32,478
Lincoln Total	3,598	3,595	3,187	6,785	97,344	92,023
Continental	501	960	447	948	21,914	15,467
Lincoln	2,896	2,235	2,385	5,081	57,660	66,369
Mark VI/VII	401	400	355	756	17,770	10,187
GENERAL MOTORS	96,974	78,439	93,678	346,797	2,751,124	2,922,661
Buick Total	23,080	17,789	22,080	79,803	609,409	600,495
Skylark	0	830	0	0	58,445	40,953
Skyhawk	2,375	2,655	2,372	8,594	93,961	67,131
Somerset Regal	2,800	281	1,919	8,258	1,025	70,299
Century	6,092	4,743	6,101	21,976	135,026	157,535
Regal	4,151	3,087	4,197	13,503	131,398	76,395
LeSabre/Electra(rwd)	2,445	3,736	2,453	8,972	130,809	82,559
Riviera	1,175	1,044	1,154	4,198	31,055	39,271
Electra(fwd)	4,042	1,413	3,874	14,302	27,690	66,352
Cadillac Total	7,069	6,889	6,919	25,131	197,904	216,110
Cimarron	537	221	527	1,927	10,005	16,978
Seville	718	672	706	2,559	24,229	22,939
Eldorado	1,406	1,496	1,385	5,021	47,195	43,318
Cadillac (rwd)	505	1,712	397	1,656	84,730	28,818
DeVille (fwd)	3,903	2,788	3,904	13,968	31,745	104,057
Chevrolet Total	26,423	27,165	28,061	102,328	932,824	987,783
Chevette	3,065	2,601	3,557	12,310	113,610	96,863
Cavalier	9,147	7,654	9,631	34,449	244,176	292,461
Celebrity	5,420	5,558	5,481	19,535	178,688	167,370
Camaro	2,843	5,068	3,525	14,257	154,430	136,819
Citation	0	2,514	0	0	68,392	28,697
Malibu/El Camino	0	0	0	0	16,346	0
Monte Carlo	1,945	1,514	1,893	7,040	69,231	82,475
Chevrolet	3,003	1,475	2,995	11,153	68,029	156,537
Corvette	1,000	781	999	3,584	19,922	26,561
Oldsmobile Total	27,231	18,048	24,516	91,784	685,055	727,266
Omega	0	0	0	0	29,289	0
Firenza	830	1,078	914	3,178	44,462	39,390
Cutlass Supreme	5,489	3,107	5,486	19,104	168,099	134,787
Cutlass Ciera	6,608	4,740	6,623	23,805	167,125	214,159
88/98 (rwd)	7,319	5,848	5,898	24,093	215,187	147,112
Olds 98 (fwd)	2,869	2,212	2,860	10,273	32,323	82,818
Calais	3,415	343	2,046	8,834	709	85,956
Toronado	701	720	699	2,497	27,861	23,584
Pontiac Total	13,171	8,548	12,082	47,751	325,932	391,007
Acadian**	0	263	205	615	9,984	8,023
2000 Sunbird	2,346	2,204	2,339	9,646	91,363	83,922
1000	630	699	863	2,467	23,833	13,942
Firebird	1,422	2,671	1,988	7,799	70,051	73,029
Phoenix	0	0	0	0	14,116	0
6000	1,560	0	1,571	5,575	0	29,632
Grd Prix/Bon'vle	0	0	0	0	29,733	0
Parisienne	1,542	296	1,592	5,684	16,361	43,872
Fiero	2,286	2,415	2,507	8,762	70,491	69,753
Grand Am	3,385	0	1,017	7,203	0	68,834
HONDA	3,150	3,013	3,094	10,334	75,121	92,070
NISSAN	1,277	0	1,192	2,469	0	13,085
NUMMI (Nova)*	1,700	0	1,700	6,000	0	18,349
VOLKSWAGEN	1,880	0	2,068	3,948	55,431	56,326
Total Cars, U.S.	160,622	128,900	163,310	541,808	4,747,248	4,948,414
Total Cars, Canada	20,387	18,659	10,374	60,031	648,797	605,714
N. American Cars	181,009	147,559	173,684	601,839	5,396,045	5,554,128
N. American Trucks	75,770	67,951	76,761	246,462	2,283,184	2,493,722
North American Cars and Trucks	256,779	215,510	250,445	848,301	7,679,229	8,047,850

*Revised estimate.
**All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

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Automotive News

August 5, 1985

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Ford spends $500 million for S&L firm

By Michelle Krebs
Financial Editor

Ford Motor Co. announced last week that it would purchase First Nationwide Financial Corp., the nation's ninth largest savings and loan association, for nearly $500 million as part of its plan to diversify from the cyclical automotive industry, which faces slower growth in the future.

"This acquisition is part of Ford's plan of adding to our present strengths by developing new sources of earnings," Ford President Harold Poling said. "Acquiring First Nationwide, a major savings and loan operation, fits into our long-range plans of expanding into complementary industries that have a record of, and prospects for, substantial growth."

Poling said Ford wants eventually to have 10 to 15 percent of its sales volume in non-automotive business, a goal similarly expressed by the other domestic auto makers. About 5 percent of Ford's $52.4 billion in 1984 sales was from non-automotive operations.

Poling said Ford, which had lost out to GM in the bidding contest for Hughes Aircraft, continues to explore areas for diversification, though he wouldn't specify those areas.

Ford had been rumored to be discussing purchase of the computer maker Sperry Corp., but Poling refused to confirm or deny if talks between the two companies are continuing.

Ford will pay $32 per share for the common stock of First Nationwide, 81.4 percent of whose stock is owned by National Intergroup, Inc., which also owns 50 percent of National Steel Corp.

James Ford, chairman of Ford

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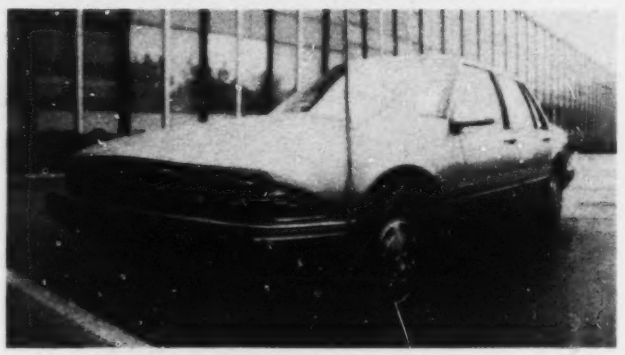
Looking ahead at GM



Gordon Fox

New family of midsize cars

A spy photographer caught this front-wheel-drive Pontiac Bonneville. It's part of the GM10 (W-body) family that will replace the current General Motors A-cars and G-cars beginning in the 1988 model year. The rounded shape differs from that of present GM cars. It's a major program that will result in coupes, sedans and wagons for Chevrolet, Pontiac, Buick and Oldsmobile in the 1988-91 model years.

U.S. dealer total down 115 for half after 2-year rise

By John K. Teahen Jr.
Managing Editor

In the first half of 1985, the domestic dealer population was unable to sustain the gains of the past two years.

The midyear Automotive News census found 20,787 dealerships handling domestic makes of passenger cars on July 1, down 115 from the 20,902 in business at the beginning of 1985.

Even more disheartening, the decline picked up steam in the second quarter. The first three months saw a dip of 38 establishments. The falloff doubled in the April-June period with a loss of 77.

Last year, each of the first two quarters brought a gain—7 and 47—and the year ended on the plus side. In 1983, the total slipped for the first six months, but a strong second half resulted in a full-year increase. Those are the only years since 1955 that the domestic dealer count has risen.

This year, Chrysler Corp. was the only manufacturer to report a first-half advance. But Chrysler's gain of six outlets was not nearly enough to offset losses by its rivals.

Elsewhere, there were drops of 55 dealerships for General Motors, 26 for American Motors-Renault, 20 for Ford Motor Co. and 15 for Volkswagen. A change in the number of intercorporate duals adjusted the net downturn to 115.

All figures in this article and in the accompanying tables refer to the net change in the dealership population, both for the individual corporations and car lines and for the domestic industry as a whole.

The latest dip is distressing because it follows two good years. But the loss of 115 dealerships is not all that bad when viewed in

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U.S. CAR OUTLETS

	July 1, 1985	Jan. 1, 1985
American Motors-Renault	1,439	1,465
Chrysler Corp.	3,994	3,988
Ford Motor Co.	5,544	5,564
General Motors	9,910	9,965
Volkswagen	884	899
TOTALS	21,771	21,881
Minus Intercorporate Duals	984	979
NET OUTLETS	20,787	20,902

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No end in sight for auto haulers' stoppage

Transport strike hurts imports most

By Richard Johnson
Detroit Reporter

A nationwide strike of more than 20,000 auto transporters continued late last week with no end in sight, but the work stoppage had not yet affected production schedules.

The import companies and their dealers seemed to be in more difficulty than the domestics in the first week of the strike.

Still, many domestic dealers were clearly worried about the lack of new product in the distribution pipeline. A few auto retailers around the country coped by driving cars away from shipping depots. Thousands more took no immediate action, but made plans to go to factories, railyards and ports if the Teamsters walkout drags on.

A few dealers bolstered used-car inventories in anticipation of a lengthy dispute. Some prepared to encourage employe vacations, cut back on overtime and tighten advertising budgets for the duration.

As of the end of last week, no date for resumption of talks had been set, and the consensus among auto industry observers was that the strike would last three to four weeks.

Some dealers speculated privately that the domestic companies, in the midst of model changeovers and growing inventories, may be content to wait out a short strike. However, it was clear that import companies, many of whose stocks were nearing depletion at the end of the week, want a quick resolution.

Both domestic and import companies, as well as dealer spokesmen, have expressed fear that a prolonged strike will interfere with the new-model launch by clogging dealerships with 1985 models at carryover time. There was also concern that current retail inventories will soon be short of fast-selling models.

The strike began Friday, July 25, and virtually shut off the flow of new cars and trucks to dealers showrooms. There is apparently a trickle of shipments handled by auto haulers not represented by the Teamsters. A Ford Motor Co. spokesman said "a very small amount; about 5 percent" of its factory output is trucked by UAW-represented drivers.

"Dealers here have been able to get retail cars out of shipping depots, but how long that is going to last, I don't know," said Bill Cammarano, a Ford dealer in Needham Heights, Mass., just outside Boston, and a member of NADA's board of directors.

"They tell me they are running into pickets, but there is no real problem yet. However, these things have a way of escalating. You can't tell what is going to happen a week from now."

Cammarano said dealers have been driving away only customer-ordered cars, and he predicted that the special pickups are only temporary.

"We need product and we're not getting it," said Marv Hartwig, a Lincoln-Mercury-Nissan dealer in Iowa City and a NADA director. "Ford has a procedure in place whereby we can drive cars out of the storage lots, and we may be doing some of that before another week is over."

Al Shockley, another NADA board member, with Volkswagen-Audi and Honda stores in Frederick, Md., said he was told informally by representatives of those firms that there would be no port pickups. But he said he received a telegram from Honda expressing optimism that the strike will be over soon.

"At this point we are stocking up more on used cars," said

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breaking news

Toyota organizes North American plant projects

NAGOYA, Japan.—Toyota Motor Co. has established a North American Project Office and appointed a staff to take charge of the U.S. and Canada plant projects. The new office, headed by Kaneyoshi Kusumoki, Toyota vice president, will oversee site selection, plant construction and local operation. Toyota also set up a machining department at its Tahara plant to manage production of cast aluminum for an engine to be unveiled in 1987 and to process and assemble engines and transmissions. The plant is expected to supply components to new North American assembly plants.

Detroit backs Avanti bid for U.S. funds

DETROIT.—The Detroit Common Council last Friday voted five to one to seek a federal Urban Development Action Grant on behalf of Avanti Motor Corp. Avanti, trying to reorganize

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Service Index slides after 5 monthly gains

By Jack Walsh
Service Editor

The rate of growth in franchised dealers' parts and service volume plunged in June after significant gains in the first five months of the year.

Shop business during the month, according to the Automotive News Service Index, was only 0.8 percent higher than volume in June, 1984, with declines in two of the survey's six categories.

In the first half of 1984, when monthly shop increases were much higher than this year, June also was the weakest month. A year ago, however, dealers' June service business was 9.2 percent greater than the same month in 1983.

Through June, parts-and-service volume was 8.8 percent higher than last year, and gains were impressive in all six indicators. In the first six months of 1984, shop business showed an increase of 17.3 percent over that of the previous year.

In June, sales of shop parts—those used in customer-paid and warranty repairs—was the strongest indicator, with an increase of 3.6 percent over a year ago. Customer-paid and warranty labor sales during the month rose 1.9 percent over last year.

Gross profit on all labor, parts and accessory sales—the most important indicator from the dealers' view—was up 1.2 percent in June over 1984, while sales of all parts and accessories were up only 0.1 percent.

During the month, sales of parts to outside customers declined 2.6 percent from a year ago, and the number of repair orders written—customer-paid and warranty—was off 0.3 percent.

Labor sales scored the biggest

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But quarter, half are second-best

Auto makers' profits dive 28 pct. for 1985

By Michelle Krebs
Financial Editor

The Big Four auto makers enjoyed record sales for the first half and second quarter of 1985 while profits for the periods made their second-best showing.

Combined sales for the companies totaled a record $45.5 billion in the second quarter, up 8 percent from last year's $42.0 billion.

Net income for the four amounted to $2.4 billion, off 28 percent from 1984's record second quarter of $3.3 billion.

For the first half of 1985, the four companies combined had record sales of $89.0 billion, up 6 percent from $83.9 billion in sales in the first half of 1984.

Income for the companies totaled $4.7 billion, down 28 percent from 1984's record first half of $6.5 billion.

General Motors and Chrysler Corp. set dollar sales records for the second-quarter and six-month periods while Ford Motor Co. and American Motors had sales dips.

The Big Three auto companies individually had their second-best performances ever for profits, with 1984 being the record-setting year. Only AMC suffered a loss.

Second-quarter earnings for GM dropped 28 percent to $1.16 billion from $1.61 billion, which included a tax credit. Sales amounted to $25.06 billion, up 16 percent from the $21.58 billion in the same quarter a year ago.

For the first six months of 1985, GM's net income amounted to $2.23 billion, down 31 percent from $3.22 billion earned in the first half of 1984. Sales in the first half of this year totaled $49.24 billion, up 11 percent from $44.47 billion in the first half of 1984.

GM's sales for the quarter were its best of any quarter and first-half sales hit a new high. GM's profit performance both periods was its second best, behind 1984.

Ford reported net income of $699 million for the quarter, off 23 percent from the record $909 million earned in the second quarter of 1984. Sales for the quarter amounted to $13.8 billion, down 2 percent from $14.1 billion in sales in the same quarter a year ago.

For the first half of 1985, Ford earned $1.5 billion, off 18 percent from $1.8 billion in the first half of 1984. Sales for the half amounted to $27.0 billion, slightly less than 1984's $27.1 billion.

Ford blamed lower sales on production losses associated with new-model changeovers in North America and lower sales in Latin America.

Ford's performance, in terms of sales and profits, gave the company its second-best first half and second quarter in history, with the same two periods in 1984 maintaining first place.

Both Ford and GM blamed lower earnings on high costs of investments in new products and facilities.

Chrysler had a drop in earnings because it resumed paying taxes this year. Net income amounted to $596 million, down 26 percent from the $803 million earned in the same quarter a year ago, a

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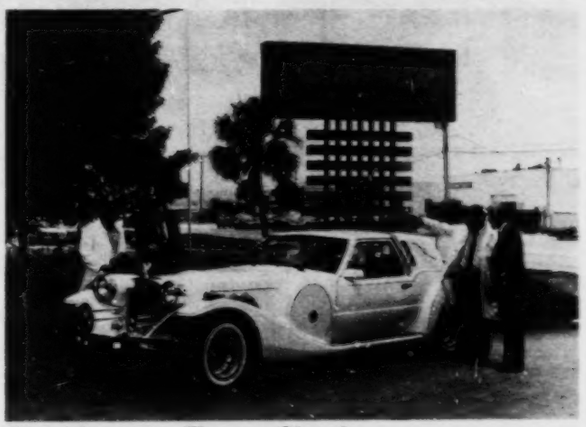
AUTO MAKERS' SALES, PROFITS
(In millions)

FIRST HALF

	1985 Sales	1985 Profit (Loss)	1984 Sales	1984 Profit (Loss)
American Motors	$ 1,880.4	($ 99.4)	$ 2,144.4	$ 9.8
Chrysler Corp.	11,387.7	1,104.0	10,167.0	1,508.7
Ford Motor Co.	27,047.8	1,482.0	27,104.5	1,806.3
General Motors	48,708.3	2,231.0	44,469.7	3,222.8
TOTAL	$89,024.2	$4,717.6	$83,885.6	$6,547.6

SECOND QUARTER

	1985 Sales	1985 Profit (Loss)	1984 Sales	1984 Profit (Loss)
American Motors	$ 961.0	($ 70.4)	$ 1,061.6	$ 4.7
Chrysler Corp.	5,979.6	596.4	5,251.7	803.6
Ford Motor Co.	13,801.6	698.7	14,095.6	909.1
General Motors	24,789.1	1,159.3	21,583.3	1,608.8
TOTAL	$45,531.3	$2,384.0	$41,992.2	$3,326.2



Checking out a Zimmer Classic

Robert Zimmer, right, president, Zimmer Motor Cars Corp., and Lee Erwin, second from left, executive vice president and general manager, confer with Zimmer quality control inspectors on the preparation of a Zimmer Classic which will be displayed at the 1985 Automtoive News World Congress. Zimmer will speak on the state of the neoclassic industry at the World Congress on Aug. 26.

Steed called negligent in Ford P-to-R case

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—Serious charges of "negligence," and a "disgraceful" record of investigation have been lodged against NHTSA Chief Diane Steed.

Specifically at issue are the allegedly defective 1970-79 full-sized Ford Motor Co. cars with automatic transmissions that may slip unexpectedly from Park to Reverse. Recently, NHTSA refused a petition from the Center for Auto Safety to reopen and expedite an investigation.

The General Acounting Office—Congress' watchdog agency— disagrees with the way NHTSA has handled the matter. GAO's findings so far disagree with those NHTSA reported to Congress and to the Center for Auto Safety and, indeed, with the report by NHTSA's own staff engineers.

Questions are now being raised in Congress about whether NHTSA properly used the data it had available and whether its conclusion of no safety problem in the cars is defensible, especially in view of its most recent staff analysis which also found a high death rate for 1984 even though fewer and fewer 1970-79 Fords are still on the road.

Rep. John Bryant, Texas Democrat, whose state ranks second only to California in the number of deaths attributed to Ford Park-to-Reverse incidents, called for Steed's resignation. One reason, he said, was the "unconscionable decision to rely" on Ford's data rather than NHTSA's own.

Bryant said 33 Texas deaths have been attributed to Ford Park-to-Reverse incidents—16 since the December, 1980, settlement with Ford which resulted in warning letters and stickers being sent to owners of the some 20 million vehicles.

Rep. Tim Wirth, Colorado Democrat and chairman of a House subcommittee overseeing NHTSA affairs, called Steed the "Rita Lavelle of safety"—a reference to a former EPA official found guilty of perjury and now serving a jail term.

Ford Motor Co. did not testify at the hearing. Although Wirth said Ford was invited and declined, Ford said flat-out that it was not asked.

The issue, however, is of paramount interest. Ford has consistently denied that its cars have a defect. It has said its change of design was meant to make shifting more comfortable and has denied it was a "fix."

In Ford's 1985 10K filing, it reported to its stockholders that it

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GM confirms Tennessee as Saturn site

By Michelle Krebs
Financial Editor

NASHVILLE.—General Motors last week ended its long and much-ballyhooed "Operation: Saturn Search" by confirming that Tennessee will be the home of its Saturn car plant.

And the corporation revealed that the site actually was chosen two months ago, when the publicity binge was still at its height.

GM also said that Saturn Corp.'s headquarters and technical center will remain in Michigan.

Construction on Saturn's $3.5-billion plant in Spring Hill, Tenn., a town of 1,000 people located 30 miles south of Nashville, could begin in six months after resolving such issues as road access, worker training and education, environmental matters, water availability and the cost of taxes and utilities.

Construction is expected to take two and a half to three years and involve 4,000 workers.

GM said the Saturn complex, when in full production, will employ 6,000 workers on a $200-million payroll.

Saturn also will employ 1,200 engineering-related workers and corporate staff at two facilities in the Detroit suburbs of Madison Heights and Troy. Saturn is advertising for engineers, though some will come from within GM.

William E. Hoglund, Saturn president, said Saturn's technical people will remain in the Detroit area, "the world's center of automotive technology." The project would be delayed six months to a year, he said, if the technical people were moved to Tennessee. However, technical staff will be transferred to Tennessee as activity there progresses.

Despite all the speculation in

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Dawkins quits AMC for post with Chrysler

By Richard Johnson
Detroit Reporter

Dale E. Dawkins, American Motors vice president for environmental and safety affairs, has left AMC for a new post at Chrysler Corp.

Dawkins confirmed to Automotive News last week that he has submitted his resignation at AMC and will move to Chrysler, where he spent part of his early automotive career. However, he declined further comment pending an announcement from Chrysler.

A Chrysler spokesman last week offered no further information, saying, "This is the first I've heard of it."

Dawkins, who formerly served as vice president—Product Group at AMC, reportedly will have a hand in minivan planning at Chrysler.

"I gave my resignation to the company and they have accepted it," said Dawkins last week. "I will join Chrysler, but I should let them make that announcement."

An AMC spokesman said Aug. 1 that Dawkins resigned "effective yesterday."

He said the company is not prepared to make an announcement about a replacement for Dawkins. However, he said individuals who

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SVO unit would develop it from the ground up

Ford may build new sports car, Poling says

By Richard Johnsen
Detroit Reporter

Ford Motor Co's Special Vehicle Operations unit may develop a new production sports model from the ground up, according to Ford President Harold A. Poling.

Indeed, plans for launching sophisticated SVO editions of existing production cars appear to have taken a back seat to an all-new sports-car program.

In an interview with Automotive News, Poling expressed support for such a venture and confidence in SVO, a 32-man motorsport, performance-parts and specialty-car operation.

Meanwhile, Poling said he likes the Giugiaro-designed Maya two-seater sports car being touted by some industry observers as a future addition to the Ford lineup. But he declined to talk about the mid-engine Maya's place in Ford plans.

Company sources have said SVO probably will be closely involved in a two-seat, mid-engine prestige sports-car project that Ford is believed to be considering.

The nearly five-year-old performance group is responsible for the high-tech, turbocharged SVO Mustang. A revamped 1985½ version was introduced last spring.

While sales of the limited-production SVO models have been lackluster, the car has been well received by auto enthusiasts. It whetted appetites for new make-overs of existing production cars, or else a complete SVO car.

Asked if SVO will develop its own car, Poling said, "I hope so, I'd like to see that . . . they are looking at it."

Poling said Special Vehicle Operations is built for speed and is a natural takeoff point for a sports-car program.

"You look at the group and what is their strength?" he said. "Their strength is performance and, to me, that moves in the direction of a sports car. I'd like to see them come up with something like that. I think they've done an outstanding job."

Poling said SVO's previous efforts have been well received—proof, he said, that the company's performance arm can successfully design and engineer a hot car from the ground up.

"You know, the SVO Mustang is considered by buff magazine writers and sports enthusiasts to be an outstanding vehicle," he said. "So I think they have the capability to come up with a sports car."

In an interview with Automotive News last spring, SVO director Michael Kranefuss said the group is studying the concept of developing an all-new car "very, very carefully."

But he said the job would require a "total new learning process" in terms of whether SVO would be involved purely in a supervisory role—allocating work to

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Resolution sought to bounce '86 CAFE cut

Senate defeats bid for 27.5 MPG

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—By a vote of 52 to 39 (with nine not voting), the Senate last week defeated a resolution to urge NHTSA to keep the CAFE standard at 27.5 MPG. NHTSA has decided to cut it to 26 MPG for the 1986 model year.

A resolution is the traditional House or Senate method of "sending a message." This one was backed by Senator Daniel J. Evans, Washington Republican, and 21 other senators, both Democrats and Republicans.

One senator, Howard Metzenbaum, Ohio Democrat, although an original sponsor, felt the move was useless and suggested instead that Congress itself act to retain the CAFE level—a very unlikely happening and one certain not to be enacted in time for the 1986 models.

Others felt that either the "fix was in" or it was not Congress' place to interfere in an agency action that had been provided for by Congress in case of need.

Arguments for and against were all over the lot and foreshadowed arguments sure to be heard Thursday and Friday (Aug. 8-9) at NHTSA's hearings on the proposed one-year rollback from 27.5 MPG to 26 MPG for the 1986 model year.

Most remarkable in the Senate debate was the total failure to recognize that any rollback would be of immense help to the European luxury cars. There was only an oblique reference to the request for relief made by the importers.

Instead, the debate centered totally on General Motors and Ford Motor Co., which took all the onus but which have, after all, a full line of models over which to average a fleet.

A frequent point made by some senators during the debate was the Chrysler Corp. argument: That Chrysler is meeting the standard at great cost and it's not fair to reward GM and Ford, the losers, who make high profits from selling their old-technology cars.

Chrysler maintains that it will be put at a competitive disadvantage if the standard is lowered and that the country itself—which still needs to conserve energy—will also be the loser.

The answer to that one in the Senate debate: Enough of this holier-than-thou attitude. Chrysler seems to forget that in 1981 it did the same thing when it asked for and received a lowering of the light-truck CAFE standards.

Besides, Congress gave Chrysler lots of federal loan guarantees to keep it from going belly up; why not let GM and Ford at least have a one-year reprieve, which amounts to extra oil use of less than two-tenths of one percent a year.

Others noted that the Commerce Department says that cutting off sales of large cars, which consumers want, could mean the loss of a million sales a year for Ford and GM and the possible loss of 110,000 jobs.

Nonsense, others said; that's an empty threat. GM and Ford have a good thing going. Those old rear-wheel-drive, big-engine, fuel-inefficient cars whose costs were written off long ago are raking in the profits.

Besides, some senators argued, if GM and Ford keep right on selling those cars (and including them as 1986s well into the 1987 model year) and the companies get a rollback on the 1987 model year, then Ford and GM can generate enough carryback credits to wipe out their potential 1984 fines. Keep the good times rolling.

Another senator chimed in cynically: "It's just greed, just pure and simple greed." It's as simple as big cars, big profits; minicars, miniprofits.

Some noted that GM and Ford argue to let the free market operate, but not when it comes to letting the Japanese compete; then what they want is "voluntary" restraints. However, the truth is that

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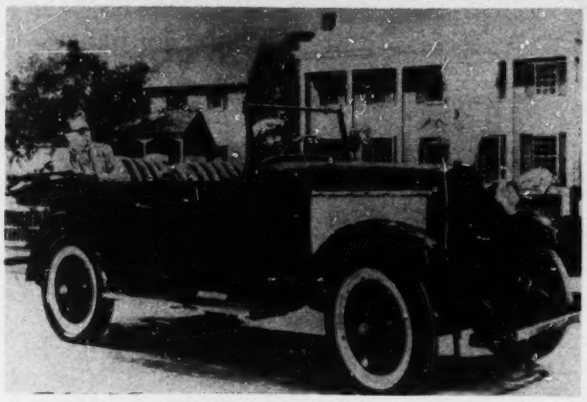
Nissan to bring cars from Taiwan to U.S. market

TOKYO.—Nissan Motor Co. plans to have cars produced by Yue Loong Motor Co. in Taiwan for export to the U.S. and other countries.

A Nissan spokesman said the firm has not determined how many cars will be exported, but it is expected that 50,000 Nissan cars will be produced by Yue Loong annually for export. The decision to build the cars there was made on the expectation that Japan's voluntary restraints on exports to the U.S. will continue indefinitely.

Details for the proposed production, which will not be governed by the Japanese quota system, will be worked out in the near future.

Nissan has acquired 25-percent ownership of Yue Loong, which has an annual production capacity of 150,000 units and now manufactures some 70,000 Nissan-type cars for sales in Taiwan.



Jack Benny's Maxwell heads for auction block

Jack Benny, in back seat, and Rochester ride in a 1911 Maxwell Touring Car which appeared in movies with Benny. The car will join about 200 other cars from the Movieworld and Pacific Auto Rental collections on the auction block Aug. 18 at the Ambassador Hotel, Los Angeles.

Dealers must do better on service—Petersen

By Roger Rowand
Engineering Editor

TRAVERSE CITY, Mich.—New-car dealers received a series of verbal uppercuts here as factory and supplier brass met for an annual management briefing seminar.

Donald E. Petersen, chairman of Ford Motor Co., was the keynote speaker at the affair sponsored by the University of Michigan.

In a question session, Petersen said that on visits to plants, he invariably is asked what Ford is going to do about getting dealerships more involved in quality-boosting programs such as those in other parts of the company. Each questioner always has a horror story, he said.

"We know we have to change," Petersen said. "We are working very hard on our national dealer councils to get their attention, to impress upon them just how bad the reputation of service really is among our dealers.

"We put together some devastating tapes, just devastating. We found ways, in effect, to get every one of our dealers to sit there and listen to his own customers saying what a miserable job he'd done in selling the car in the first place and then in servicing it," he said.

Petersen said Ford began those tape sessions in 1980 and continues to use the technique. Taped surveys have been financed by the dealers as part of another dealership improvement program, he told Automotive News.

"We have to change everything about the way we do business, including how we treat the customer at the dealer level," Petersen said.

"This is one of the greatest single areas for massive improvement. It has one of the greatest

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Owners 95 pct. satisfied; may spark ad campaign

Survey gives AMC high marks

By Edward Lapham
Marketing Editor

American Motors marketing people are deciding how to best use the results of a new independent study which shows more than 95 percent of its 1985 customers are satisfied with their purchases.

The result could be a new national ad campaign touting AMC customer satisfaction.

The study, conducted by Maritz Market Research, Inc., showed an overall satisfaction level of 95.3 percent for Jeep and Renault and 96.8 percent for Eagle.

"We know we had problems with our vehicles in 1983 and 1984, and we wanted to know if the effort we put into improving our cars paid off," said Peter G. Guptil, AMC sales vice president.

"Obviously, it has."

Guptil said the company wanted to "be honest with itself." That meant determining if other, less scientific studies of owner satisfaction, "done in questionable fashion," were as inaccurate as suspected.

So, a Maritz questionnaire was mailed to every buyer of new 1985-model AMC and Renault vehicles. There was no incentive, but the result was still a 37 percent response.

The average number of miles driven by respondents was 5,668, which AMC believes gave the 54,565 respondents "ample opportunity to objectively evaluate the vehicles."

The study factored out fleet buyers and all other purchasers readily identifiable as corporate purchasers. Those commercial buyers who "slipped through" gave the AMC/Renault products the same high rating, the company said.

The important results, as emphasized by AMC, included data which showed 98.7 percent were satisfied with handling ease, 97.6 percent were satisfied with riding comfort and 92 percent were satisfied with fuel economy.

In addition, AMC said, 92.9 percent of the respondents believed "they got good value" in their purchase, and 84.1 percent indicated they would consider buying another Renault, Jeep or Eagle.

The down side was that only 73 percent of the owners who responded were satisifed with their dealers' ability to fix problems, an area AMC conceded needed more work.

Overall, AMC was very pleased with the results.

The company has been particularly critical ofthe Customer Satisfaction Index by West Coast market research firm J.D. Power & Associates, and the auto maker has been sensitive to the publicity the Power study garnered.

Guptil said the "spectacular nature" of newspaper coverage of the Power study, without proper scrutiny of the methods or actual results, "hurt" AMC.

He criticized the Power CSI for a lack of scientific methodology. He blasted everything from sample size, to indexing procedures, to the lack of class-by-class comparisons and even the questions themselves and the manner in which they were weighted.

"Nowhere do they ask 'Are you satisfied,'" he said. "It purports to be an objective study, but it is done in a very sujective matter."

He also said the study is mislabeled. "They call it a '1985' study, but it is about 1984-model cars," he said.

Guptil said the Power CSI lacks validity and reliability, the two attributes by which social scientists judge surveys.

Validity means the study measures what it intends to measure, and reliability means the results are repeatable under the same circumstances.

AMC is not the only auto maker to criticize the Power methodol-

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Executives tell why joint ventures gain

By Roger Rowand
Engineering Editor

TRAVERSE CITY, Mich.—Ford Motor Co. is discussing an alliance with Fiat, the Italian vehicle maker, and that move points up a major developing auto industry trend—joint ventures.

The trend, which has been building slowly until now, was focused upon here at a University of Michigan automotive management briefing seminar.

Donald F. Kopka, Ford's design vice president, did not discuss specifics of any Ford-Fiat amalgamation, but he did go into reasons why such a move might be forthcoming.

"In the future," Kopka said, "We're going to have to replace most of the cars on the road so there are lots of opportunities for new types of vehicles. With rising costs of bringing a new car to market, we are rapidly reaching the point where no company in the world has enough money to do it all alone.

"Whenever you have the same needs and can pool resources and split costs to bring out a car, it makes sense to look for some joint partnerships," he said.

The three-day University of Michigan seminar is attended chiefly by representatives of supplier companies. Kopka's remarks came as he participated in a panel

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Trade deficit in June ranks as 2nd highest ever

WASHINGTON.—June's $13.42 billion U.S. trade deficit was the second-highest monthly trade deficit ever, the Commerce Department reported. Record-high imports from Japan helped boost the monthly trade gap.

The U.S. merchandise trade deficit for the first six months of this year was $70.71 billion, compared with $60.8 billion for the first half of 1984.

The U.S. trade deficit with Japan increased to $4.57 billion in June from $4.24 billion in May. The June figure was slightly higher than the previous record for deficit trade with Japan, set in July of last year. The overall monthly trade defict record of $13.8 billion was also set in July, 1984.

Although the U.S. dollar has

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60th year—No. 5086

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On Pontiac 4.9-liter engines

EPA and GM face regulations dilemma

By Jake Kelderman
Washington Reporter

WASHINGTON.—The EPA and General Motors have a problem, a problem one can find only in Washington.

GM built about 700,000 1979 Pontiacs with 4.9-liter engines that do not meet federal emission standards. EPA wants GM to fix those cars, but the cars cannot be fixed without a significant loss of fuel economy and it is uncertain whether the fix will do the job.

The agency thought it had solved the problem several years ago when it agreed with GM on a novel plan to "offset" the excess emissions from the 1979 cars with lower emissions from future GM cars, but the U.S. Court of Appeals for the District of Columbia threw out that idea as illegal.

Consequently, the EPA and GM are back to square one—except for one thing: The parties who sued in the Court of Appeals now want GM to be penalized for building defective cars since there is no "complete" fix for the problem that causes them to emit more oxides of nitrogen emissions than they should.

They don't necessarily want the company to pay a fine per se. They want GM to spend the money to achieve emissions reductions elsewhere equal to at least the excess emissions the 1979 cars are putting out.

But GM doesn't want someone telling it where to spend its money. And it also wants everyone to remember that it has already spent some $2 million to modify some of its 1982 and later-model year cars to offset the excess emissions of the 1979 cars and will spend that much again over the next couple years.

GM also points out once again that only about 15 percent of the 700,000 cars involved would likely be returned to dealers for repairs; that the repair would reduce fuel economy by 0.7 MPG to 2.1 MPG, and that a program like that will do nothing to enhance the public view of the auto emissions control program.

The EPA, GM and the environmental groups have been over this several times since last spring. Last week, they took another shot at it and the results were the same as in the past.

GM is still holding out for continuing its offset program, fixing the cars that owners bring in and running some research programs like a methanol-fueled bus.

The environmentalists think that is not enough and are holding out for a fine of about $10 million or its equivalent in emissions reductions in older vehicles through repairs or catalyst replacements.

And the EPA keeps looking at the court order and thinking it will fine GM about $12 million if the company doesn't come up with something that works.

Senate votes down attempt to overturn '86 CAFE cut

Continued from Page 3

Ford and Chrysler backed quotas for the Japanese but GM did not.

But, the argument goes, had Congress not passed the 1975 CAFE law, the U.S. auto industry would have been totally wiped out by the Japanese who were already here with the fuel-efficient babies.

Besides, while the "free market" can create gasoline lines and raise or lower oil prices overnight, the auto industry cannot turn on a dime.

The oil and economic argument: Although we seem to have an oil glut, there is actually less than there was. We are more dependent on imported oil than 10 years ago; we are still largely dependent on the Middle East or Communist-bloc countries or on developing countries which will start using their energy resources as they modernize.

That argument continues: The government's reserve estimates for domestic oil have dropped by 55 percent, largely because of downward revisions of the Alaskan reserve. Since more than 60 percent of oil is used by the transportation sector, it is especially irresponsible to let vehicles off the hook.

Another point: In order for a car to count as part of CAFE, at least 75 percent of it must be made in the U.S. If the standard is lowered, the makers won't have to build as many small cars in the U.S. to offset the big ones. So they might source small cars and parts overseas, eliminating U.S. jobs.

The debate on the Evans "sense of the Senate" resolution to retain the 27.5-MPG CAFE standard occurred just three days before Congress recessed for a month.

By the time Congress returns, NHTSA will have held its hearing, closed its docket for comments and be busily writing the reasons for the decision which is not expected to surprise anyone. It is obviously too late for Congress to do anything at all for the 1986 model year.

Next operation: How to get at least two more years of reprieve.

breaking news

Continued from Page 1

its affairs under federal bankruptcy laws, hopes to move operations from South Bend to Detroit. Avanti lawyer Robert Weiss said the reorganization plan, which includes a package of private and public funding, "is moving along pretty much on schedule."

Arabs end boycott of Ford

DAMASCUS, Syria.—The Arab Boycott of Israel Office has ended the trade embargo it had placed on Ford Motor Co. and eight other companies. The Arab embargo had been placed on Ford in the 1960s because Ford had invested in a manufacturing plant in Israel.

Nissan Australia's Gazelle

Nissan Australia's new Gazelle features independent rear suspension and four-wheel disk brakes. An improved noise-control package, featuring a new exhaust system, also has been added. A new option package available for the Gazelle liftback includes alloy wheels, power steering and a sunroof.

$350 million expansion set for Chrysler Kokomo plant

KOKOMO, Ind.—Chrysler Corp. announced it will invest more than $350 million in a major expansion of its transmission and die casting facilities here.

The project will include building additions as well as adding machinery and equipment to produce a new four-speed automatic transaxle the company will introduce in its 1989-model passenger cars.

"Our rapidly changing automotive technology is revolutionizing the way we build cars," said Richard E. Dauch, executive vice president for manufacturing, in making the announcement. "These same technological advancements we are applying right here will enable our Kokomo plants and our Kokomo people to compete with the best in the industry."

Dauch said there will be a total of 275 new machines. A completely new assembly line will feature laser welders, vision inspection systems, numerical control equipment for automatic tool adjustment and the latest technology for automatic assembly.

"Our Kokomo plants also will have computer-integrated manufacturing, factory information systems and automatically guided vehicles for parts delivery," he added.

Dauch said construction would begin later in July on additions that will total 495,000 square feet, a 20 percent increase in the manufacturing area. An important addition will be 60,000 square feet of floor space in the die cast plant that will increase storage capacity for castings, which now must be stored at the transmission plant.

"The expansions will be completed by year-end 1986, and machinery and equipment installations will continue throughout 1987," Dauch said.

Dauch said the production launch for the new transmission is scheduled for February, 1988. The Kokomo plants will continue building three-speed automatic transmissions, but in lower volumes. Total output is expected to increase from the present capacity of 1.3 million units to 1.5 million by the 1990 model year.

New incentives on books for AMC, Chrysler

American Motors last week jumped back on the finance-rate bandwagon with a renewed 8.5 annual percentage rate program.

It includes all 1985 Renault cars delivered between Aug. 1 and Sept. 30, and the finance program has a 48-month cap.

AMC started the program the day after it ended the rebate program which refunded to purchasers the equiavlent of the price of 10,000 gallons of gasoline.

The auto maker has used a similar APR program for much of the model year.

Chrysler Corp. also launched a new incentive last week, called the LeBaron GTS/Lancer Saver's Choice. It is similar to a program already in place for K-cars.

The program began Aug. 1 and has no announced end date.

Retail purchasers of new 1985 Chrysler LeBaron GTS or Dodge Lancer models can choose either a $500 savings allowance or an 8.8 APR finance rate with a 60-month cap.

Service Index retreats after 5 monthly gains

Continued from Page 1

increase in the first half, with the customer-paid and warranty total up 11.5 percent over a year ago. Sales of all parts and accessories ranked No. 2 with a gain of 9.5 percent.

Six-month gross profit was up 8.8 percent from the like period in 1984, and total repair orders written increased 7.8 percent. Sales of parts and accessories to outside customers were 6.6 percent higher than a year ago, while total P&A volume through June was up 5.8 percent.

April was the best month in the first six with an increase of 18.6 percent over the same month in 1984, and the May gain of 13.5 percent was the second-highest in the first half.

Service Index figures are compiled from reports on shop business from a cross-section of the nation's franchised new-car dealers.

SERVICE INDEX
100.8★

	June, '85 vs June, '84	6 mos., '85 vs 6 mos., '84
Gross Profit on All Labor and P&A Sales	+1.2%	+ 8.8%
Repair Orders Written	−0.3%	+ 7.8%
Total Labor Sales (Customer & Warranty)	+1.9%	+11.5%
Shop Parts Sales (Customer & Warranty)	+3.6%	+ 9.5%
Sales of All P&A	+0.1%	+ 5.8%

★—Survey by Automotive News shows that dealers' service and parts business in June, 1985, was 100.8 percent of business in June, 1984. Service business in the first six months of 1985 was 108.8 percent of business in the corresponding period in 1984.

Big 4 profits down 28 pct.

Continued from Page 2

quarter in which Chrysler paid no taxes.

Chrysler sales hit an alltime high for any quarter of $6.0 billion, up 14 percent from $5.4 billion in the second quarter of 1984 and surpassing the previous record set in the first quarter this year.

For the six months, Chrysler had net income of $1.1 billion compared with $1.5 billion in the first six months of 1984. Sales set a new six-month record of $11.4 billion, compared with $10.2 billion in 1984.

Sales for the quarter were Chrysler's best for any quarter and the best for any half. Chrysler's profit performance was its second-best for the quarter and half, behind 1984.

AMC suffered a $70.4 million loss in the second quarter, compared with a profit of $4.7 million last year. Sales this year were $961.0 million, down 9 percent from 1984's $1.1 billion.

For the half, AMC's loss was $99.4 million, compared with a profit of $9.8 million in 1984. First-half sales dipped 12 percent to $1.9 billion, compared with 1984's $2.1 billion.

Dawkins quits AMC for post with Chrysler

Continued from Page 2

had been reporting directly to Dawkins will now report to Gerard Gastaut, AMC vice president—business planning and corporate affairs.

As vice president—environmental and safety affairs at AMC, Dawkins was in charge of vehicle environmental and safety matters, product analysis, corporate energy management and industrial safety and hygiene.

Dawkins joined AMC in 1971 after 14 years with Chrysler and Chevrolet. From 1971 to 1977, he served as AMC director of product cost control, director of product planning, general marketing manager and general manager of the Parts Division.

He was elected vice president of AMC's Marketing Group in 1977 and became vice president--Product Group in 1979.

Trade deficit in June ranks as 2nd highest ever

Continued from Page 3

dropped 12 percent on foreign exchange markets since February, it remains almost 40 percent above its 1980 average. Some economists believe that import prices will rise as the dollar falls in value, further escalating the U.S. trade deficit.

Increased U.S. exports late in the year may bring limited relief because exporters are not expected to feel the effects of the weakening dollar for some months yet.

Market-opening measures announced last week by Japan were met with skepticism from chief congressional sponsors of protectionist trade legislation. Most of the measures are aimed at reducing the U.S. trade deficit with Japan. The White House said it would not judge the Japanese moves until their effect on U.S. exports are known.